

**2005 DRAFTING REQUEST**

**Bill**

Received: **09/27/2004**

Received By: **jkreye**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Justus**

This file may be shown to any legislator: **NO**

Drafter: **jkreye**

May Contact:

Addl. Drafters: **rryan**

Subject: **Tax, Other - miscellaneous**

Extra Copies:

Submit via email: **NO**

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**Pre Topic:**

DOA:.....Justus, BB0076 -

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**Topic:**

Collecting lottery debts

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**Instructions:**

See Attached

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**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?							State
/P1	jkreye 09/28/2004	jdyer 09/29/2004	pgreensl 09/29/2004		lemery 09/29/2004		State
/P2	jkreye 10/12/2004	jdyer 10/13/2004	rschluet 10/13/2004		sbasford 10/13/2004		

FE Sent For:

**<END>**

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/?	jkreye	9/29 jld	9/27 p8	9/27 sly			
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FE Sent For:

<END>

B B 0076

### 2003-05 Budget Bill Statutory Language Drafting Request

- Topic: Collection of Lottery Debts
- Tracking Code: (Assigned by Government Operations Team)
- SBO team: Tax & Justice
- SBO analyst: Sarah Justus
  - Phone: 7-6921
  - Email: sarah.justus@doa.state.wi.us
- Agency acronym: DOR
- Agency number: 566

0304

**Statutory Language Request  
Wisconsin Department of Revenue**

**TITLE: COLLECTION OF LOTTERY DEBTS**

**DESCRIPTION OF CURRENT LAW AND PROBLEM**

Currently, the Wisconsin Lottery uses a private collection agency to collect retailer liabilities that are overdue. The department is seeking a less expensive, more effective way to collect these debts. As of the end of fiscal year 2004, the Lottery had unpaid debts of \$256,235.

The unpaid liabilities of all other divisions of the Department of Revenue are collected by the Division of Income, Sales and Excise Tax's Compliance Bureau. The Compliance Bureau uses the authorities 71.91 of the Wisconsin Statutes for its collection program. Other chapters invoke collection authority by referring to the language in Chapter 71. (See 78.80 and 77.62 for examples.)

**RECOMMENDATION FOR ACTION**

Authorize the Compliance Bureau to collect unpaid lottery retailer debts in the same manner as tax delinquencies are collected under chapter 71.

**ADMINISTRATIVE IMPACT**

Assigning the collection of unpaid lottery retailer debts to the Compliance Bureau should not significantly increase the administrative burden of the Compliance Bureau since there are a relatively small number of them. Also, many of the businesses owing these debts probably are already being pursued by the Compliance Bureau for tax delinquencies.

The process of referring unpaid lottery debts to the Compliance Bureau should result in no more administrative burden for the Lottery than they are already incurring by using a private collection agency.

**FAIRNESS /TAX EQUITY**

Since lottery proceeds are used to fund property tax relief for all Wisconsin's citizens, the collection of these unpaid liabilities will result in a benefit for the state's citizens.

**IMPACT ON ECONOMIC DEVELOPMENT**

If businesses in Wisconsin are required to pay the department what is owed in taxes and lottery proceeds, it lessens the overall tax burden on law abiding businesses.

**FISCAL EFFECT**

By using the Compliance Bureau to collect unpaid lottery debts, the Wisconsin Lottery will avoid paying the contingency fee charged by private collection agencies.

## **DRAFTING INSTRUCTIONS**

Add language to 565.10 which authorizes the department to use the Chapter 71 collection provisions to collect unpaid lottery retailer debts. Language should be similar to 77.62 or 78.80. Also include the authority to assess personal liability as in 71.83(1)(b)2.

Add language to 71.80(3) and (3m) which authorizes overpayments to be applied to lottery proceeds debts as well as tax debts.

Add language to 73.03(33m) that adds lottery debts to the items on which the delinquent tax collection fee will be computed.

## **EFFECTIVE DATE AND/OR INITIAL APPLICABILITY**

This change can be made effective on the day after publication.

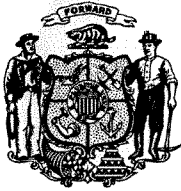
## **INTERESTED/AFFECTED PARTIES**

Lottery retailers, private collection agencies, citizens of Wisconsin

## **DOR CONTACT PERSON**

Vicki R. Siekert  
vsiekert@dor.state.wi.us

**PREPARED BY** Vicki R. Siekert



State of Wisconsin  
2005 - 2006 LEGISLATURE

LRB-0304/P1

JK&RLR:.....

SOON

jld

DOA:.....Justus, BB0076 - Collecting lottery debts ✓

FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

in 9-28-04

D-N

do not  
gen

1 AN ACT ...; relating to: the budget. ✓

*Analysis by the Legislative Reference Bureau*

**GAMBLING** ✓

This bill authorizes DOR to use the provisions under current law for collecting delinquent income and franchise taxes to collect any unpaid amount owed by a retailer to the DOR in connection with the state lottery.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

2 SECTION 1. 565.48 of the statutes is created to read:

3 **565.48 Collection of unpaid liabilities.** Sections 71.80 (12), 71.82 (2), 71.91  
4 (1) (a) and (c), (2) to (5m) and (7), and 71.92, as they apply to the collection of  
5 delinquent taxes under ch. 71, apply to the collection of any unpaid amount owed by  
6 a retailer to the department under this chapter.

7

(END)

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-0304/P1dn  
JK&RLR:.....

Sarah:

Please review this draft carefully to ensure that it is consistent with your intent.

Joseph T. Kreye  
Legislative Attorney  
Phone: (608) 266-2263  
E-mail: joseph.kreye@legis.state.wi.us



**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-0304/P1dn  
JK&RLR:jld:pg

September 29, 2004

Sarah:

Please review this draft carefully to ensure that it is consistent with your intent.

Joseph T. Kreye  
Legislative Attorney  
Phone: (608) 266-2263  
E-mail: joseph.kreye@legis.state.wi.us

## Kreye, Joseph

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**From:** Justus, Sarah  
**Sent:** Tuesday, October 12, 2004 1:22 PM  
**To:** Kreye, Joseph  
**Subject:** FW: LRB 0304/P1 Collecting lottery debts

-----Original Message-----

**From:** Lashore, Patricia M  
**Sent:** Monday, October 11, 2004 12:51 PM  
**To:** Justus, Sarah  
**Cc:** Collier, Dennis J; Gates-Hendrix, Sherrie; Hardt, Diane L  
**Subject:** LRB 0304/P1 Collecting lottery debts

Here is a comment on the draft from the Compliance Bureau (Vicki Siekert):

-----Original Message-----

**From:** Siekert, Vicki R  
**Sent:** Thursday, October 07, 2004 12:19 PM  
**To:** Lashore, Patricia M  
**Subject:** FW: LRB Drafts - Budget Statutory Language

Here's another.

-----Original Message-----

**From:** Harnett, James D  
**Sent:** Tuesday, October 05, 2004 12:19 PM  
**To:** Siekert, Vicki R; Bahr, Fred R; Bomkamp, Amy J; Hook, Stanley J; Hilliker-Hartung, Kristin; Gorton, Steven R; Dukes, Susan  
**Subject:** RE: LRB Drafts - Budget Statutory Language

On the collection of lottery debts, I am concerned that the authority given us is too limited. It provides us with some of the collection authority we have (not all of it), and says nothing about assessment of the obligations said to be owed by the debtors.

I think there should be language to the effect that debts owed should be assessed and collected like income tax debts. See existing section 139.93(1) for sample language.

-----Original Message-----

**From:** Siekert, Vicki R  
**Sent:** Monday, October 04, 2004 9:25 AM  
**To:** Harnett, James D; Bahr, Fred R; Bomkamp, Amy J; Hook, Stanley J; Hilliker-Hartung, Kristin; Gorton, Steven R; Dukes, Susan  
**Subject:** FW: LRB Drafts - Budget Statutory Language  
**Importance:** High

Any comments on any of these?

-----Original Message-----

**From:** Lashore, Patricia M  
**Sent:** Friday, October 01, 2004 1:46 PM  
**To:** Collier, Dennis J; Gates-Hendrix, Sherrie; Hardt, Diane L; Siekert, Vicki R  
**Cc:** Parker, James A  
**Subject:** LRB Drafts - Budget Statutory Language  
**Importance:** High

Attached are language drafts from DOA on several of our department's statutory language requests for the 2005-07 biennial budget. Please review and let me know if you have any comments or edits.

Please keep limit distribution of these drafts. LRB drafts are considered confidential until introduced in the Legislature.

Collection of Lottery Debts



05-0304P1a96826f  
8.pdf



State of Wisconsin  
2005 - 2006 LEGISLATURE

LRB-0304/P1  
JK&RLR:jld:pg

RMR

DOA:.....Justus, BB0076 - Collecting lottery debts

FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

in 10-12-04

do not gen

1 AN ACT ...; relating to: the budget.

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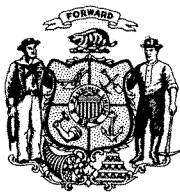
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5 delinquent taxes under ch. 71, apply to the collection of any unpaid amount owed by

6 a retailer to the department under this chapter.

7 (END)

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and reviewed in the same manner  
as income taxes are assessed, collected,  
and reviewed under ch. 71



State of Wisconsin  
2005 - 2006 LEGISLATURE

LRB-0304/P2  
JK&RLR:jld:rs

DOA:.....Justus, BB0076 - Collecting lottery debts

FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

1     **AN ACT ...; relating to:** the budget.

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2           **SECTION 1.** 565.48 of the statutes is created to read:

3           **565.48 Collection of unpaid liabilities.** Any unpaid amount owed by a  
4     retailer to the department under this chapter shall be assessed, collected, and

**SECTION 1**

1 reviewed in the same manner as income taxes are assessed, collected, and reviewed  
2 under ch. 71.

3 (END)